

Message Text

LIMITED OFFICIAL USE

PAGE 01 MEXICO 04435 01 OF 02 070023Z

70

ACTION ARA-10

INFO OCT-01 ISO-00 CU-02 AGR-05 DOTE-00 HEW-04 HUD-01

INT-05 AID-05 CEQ-01 CIAE-00 COME-00 EB-07 EPA-01

INR-07 IO-11 L-03 NSF-01 NSC-05 NSAE-00 USIA-06

OES-06 SS-15 SP-02 PA-01 PRS-01 FEA-01 /101 W

----- 083337

R 062205Z APR 76

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 4070

INFO AMCONSUL GUADALAJARA

AMCONSUL HERMOSILLO

AMCONSUL MONTERREY

ALL OTHER CONSULATES IN MEXICO (POUCH)

LIMITED OFFICIAL USE SECTION 1 OF 2 MEXICO 4435

E.O. 11652: N/A

TAGS: PINT, MX, SOCI, SPOP

SUBJECT: ECHEVERRIA'S URBAN PLANNING/LAND USE BILL SPARKS

NATIONWIDE CONTROVERSY

REF: 75 MEXICO 10387

SUMMARY: SPECIAL SESSION OF MEXICAN CONGRESS IS ABOUT TO
CONVENE TO CONSIDER DRAFT LEGISLATION SUBMITTED BY PRESIDENT
TO REGULATE "HUMAN SETTLEMENTS". ALTHOUGH PROPOSED LEGISLATION
IN ITSELF IS NO MORE RADICAL THAN URBAN LAND USE PLANS IN
EFFECT IN MANY WESTERN COUNTRIES, REACTION AMONG MEXICAN
PROPERTY-OWNERS HAS BEEN ALMOST HYSTERICAL (PROMPTING EQUALLY
INTEMPERATE DEFENSES BY GOM OFFICIALS, INCLUDING ECHEVERRIA
HIMSELF). MAIN THRUST OF LEGISLATION IS TO CURB LAND SPECU-
LATION AND THUS ACHIEVE "MORE EQUITABLE DISTRIBUTION OF URBAN
BENEFITS", BY MEANS OF LOCALLY DEFINED AND PUBLISHED LAND USE
PLANS. OPPONENTS SEE THREATS OF ARBITRARY CONFISCATION AND
GROSS ABUSES OF POWER BY LOCAL "CACIQUES". MORE THAN ANYTHING,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MEXICO 04435 01 OF 02 070023Z

DISPUTE REFLECTS WIDENING CHASM OF MUTUAL MISTRUST BETWEEN

ECHEVERRIA GOVT AND PRIVATE SECTOR. END SUMMARY.

1. LAST DECEMBER 15, IN FINAL HOURS OF REGULAR SESSION OF CONGRESS, PRES. ECHEVERRIA SUBMITTED DRAFT LEGISLATION ON "HUMAN SETTLEMENTS" (ASENTAMIENTOS HUMANOS) AIMED AT DEFINING A NATIONAL URBAN LAND USE POLICY TO DEAL WITH MISERABLE CROWDING AND CHAOS AFFLICTING MEXICO'S MAJOR CITIES. CONSIDERATION WAS POSTPONED PENDING STATES' RATIFICATION OF CONSTITUTIONAL AMENDMENTS PROVIDING JURIDICAL UNDERPINNING FOR NEW LAW (REFTEL). SPECIAL SESSION OF CONGRESS IS NOW ABOUT TO MEET TO ACT ON PRESIDENT'S PROPOSALS.

2. IN RECENT WEEKS, "HUMAN SETTLEMENTS" DRAFT HAS ATTRACTED GROWING PUBLIC ATTENTION AND SPARKED THE MOST SERIOUS POLITICAL CONTROVERSY SINCE ASSASSINATION OF MONTERREY PATRIARCH GARZA SADA IN SEPTEMBER 1973. DEBATE HAS BECOME POLARIZED, WITH OVERWHELMING PRO-GOVERNMENTAL MACHINERY AT ONE END AND A STOUT-HEARTED BAND OF FREE ENTERPRISERS -- NOTABLY MONTERREY BUSINESSMEN -- AT THE OTHER. MUD-SLINGING DESCENDED TO A NEW LOW LAST WEEK WHEN ECHEVERRIA ACCUSED MONTERREY GROUP OF SECRETLY PLOTTING A PINOCHET-TYPE COUP AGAINST HIS GOVERNMENT AND PRI PRESIDENTIAL CANDIDATE LOPEZ PORTILLO JOINED IN TO COMPARE MONTERREY "PLOTTERS" TO KU KLUX KLAN. FOR THEIR PART, BUSINESSMEN (NOT ONLY IN MONTERREY BUT IN GUADALAJARA AND ELSEWHERE) SEE PRESIDENT'S PROPOSALS AS UNCONSTITUTIONAL ASSAULT ON PRIVATE OWNERSHIP OF PROPERTY AND PART OF "ALARMING" TREND TOWARD STATISM.

WHAT THE BILL PROVIDES

3. ON ITS FACE, AT LEAST, DRAFT "HUMAN SETTLEMENTS" LEGISLATION APPEARS TO BE NO MORE RADICAL THAN LAND USE PLANNING LAWS IN FORCE IN MANY WESTERN COUNTRIES -- A SYSTEM FOR COORDINATING ZONING PROCESS NATIONWIDE AND PROJECTING INTO FUTURE TO TAKE ACCOUNT OF EXPECTED URBAN GROWTH PRESSURES. FACED WITH ENORMOUS POPULATION SHIFTS (IN 1930, 12 PERCENT OF POPULATION LIVED IN CITIES OF 50,000 OR MORE; BY 1970, 60 PERCENT; AND BY 1995, A PROJECTED 80 PERCENT), GOVERNMENT ENTITIES WOULD BE EMPOWERED TO DEFINE "SOCIALLY BENEFICIAL" LAND USE AND THUS CURB REAL ESTATE SPECULATION WHICH IS BELIEVED TO DRIVE LAND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MEXICO 04435 01 OF 02 070023Z

VALUES AND HOUSING COSTS OUT OF SIGHT. AT SAME TIME, PROPONENTS ARGUE, LEGISLATION WOULD PROTECT EXISTING PROPERTY VALUES, ENSURE AVAILABILITY OF LANDS FOR PUBLIC PURPOSES (ESPECIALLY HOUSING), AND REDUCE ILLEGAL LAND INVASIONS AND SQUATTING.

4. THREE-TIERED SYSTEM OF LAND USE PLANNING AND ADMINISTRATION IS ENVISAGED:

--AT FEDERAL LEVEL, SECRETARIAT OF PRESIDENCY WOULD DEVELOP

OVERALL LONG-TERM GROWTH PLAN AIMED AT MORE BALANCED NATIONAL GROWTH; CHANNEL INVESTMENTS WHERE THEY WOULD SUPPORT SUCH A PLAN; AND TAKE DIRECT PART IN MEGALOPOLIS ("CONURBACION") PLANNING WHERE CITIES SPRAWL ACROSS STATE LINES, E.G. MEXICO CITY ITSELF.

--AT STATE LEVEL, EACH GOVT WOULD FILL IN DETAILS OF ITS OWN STATEWIDE GROWTH PLAN; DETERMINE WHERE NEW POPULATION CENTERS ARE TO BE LOCATED; AND OVERSEE URBAN SITUATIONS SHARED BY TWO OR MORE MUNICIPALITIES.

--AT MUNICIPAL LEVEL, FUNDAMENTAL LOCAL PLANNING DECISIONS WOULD BE MADE AND INDIVIDUAL DECREES ISSUED TO ENFORCE THEM; MUNICIPAL GOVT "SHALL PROMOTE PARTICIPATION OF THE COMMUNITY IN THE ELABORATION AND EXECUTION OF ITS PLANS AND PROGRAMS".

5. DRAFT PROVIDES FOR FULL COORDINATION AT FEDERAL LEVEL IN SUPPORT OF LAND USE PLANNING:

--INTERIOR SECRETARY WOULD ENSURE PLANS COINCIDED WITH POPULATION MIGRATION FACTORS; PROVIDE "STIMULUS" TO ENCOURAGE MIGRATION TO NEW POPULATION CENTERS AND CONCENTRATE SCATTERED POPULATIONS; AND ENSURE THAT POPULATION REDISTRIBUTION COINCIDES WITH REGIONAL DEVELOPMENT EFFORTS.

--TREASURY SECRETARY WOULD SEE THAT CREDITS FROM NATIONAL FINANCE INSTITUTIONS GO ONLY TO AGENCIES COOPERATING IN DEVELOPMENT PLANS.

--NATIONAL INSTITUTES FOR COMMUNITY DEVELOPMENT AND PUBLIC HOUSING AND NATIONAL POPULATION COUNCIL WOULD HAVE THEIR INPUTS INTO PLANNING.

--CIVIL REGISTRARS AND NOTARIES PUBLIC WOULD BE FORBIDDEN TO REGISTER PROPERTY TRANSACTIONS WHICH FAILED TO COMPLY WITH MUNICIPAL LAND USE DECREES; AND OTHER AGENCIES WOULD BE INSTRUCTED NOT TO ISSUE PERMITS (E.G. BUILDING LICENSES) IN ABSENCE OF EVIDENCE THAT PLANS CONFORM TO LAND USE DETERMINATIONS. CONTRACTS OR DEVELOPMENT PROJECTS WHICH FAILED TO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MEXICO 04435 01 OF 02 070023Z

CONFORM IPSO FACTO WOULD BE NULL AND VOID.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 MEXICO 04435 02 OF 02 070033Z

70

ACTION ARA-10

INFO OCT-01 ISO-00 CU-02 AGR-05 DOTE-00 HEW-04 HUD-01

INT-05 AID-05 CEQ-01 CIAE-00 COME-00 EB-07 EPA-01

INR-07 IO-11 L-03 NSF-01 NSC-05 NSAE-00 USIA-06

OES-06 SS-15 SP-02 PA-01 PRS-01 FEA-01 /101 W

----- 083451

R 062205Z APR 76

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 4071

INFO AMCONSUL GUADALAJARA

AMCONSUL HERMOSILLO

AMCONSUL MONTERREY

ALL OTHER CONSULATES IN MEXICO (POUCH)

LIMITED OFFICIAL USE SECTION 2 OF 2 MEXICO 4435

6. AT HEART OF PROPOSED SYSTEM IS AUTHORITY GRANTED TO MUNICIPAL GOVERNMENTS TO DETERMINE -- IN ACCORDANCE WITH STATE AND FEDERAL PLANS -- HOW SPECIFIC LANDS, WATERS, AND WOODS WOULD BE USED "FOR SOCIAL BENEFIT". MUNICIPAL AUTHORITIES WOULD BE EMPOWERED TO ISSUE DECREES DESIGNATING INDIVIDUAL PROPERTIES FOR USE BY GOVT AGENCIES OR BY GENERAL PUBLIC; BY INDIVIDUAL PRIVATE PARTIES; FOR NEW POPULATION CENTERS; OR AS RESERVE FOR FUTURE GROWTH. EXPLICITLY, PROPERTY RIGHTS OF PRIVATE HOLDERS COULD BE EXERCISED ONLY IN CONFORMITY WITH THESE MUNICIPAL DECREES.

7. GOM APOLOGISTS (SUCH AS PRESIDENCY SECRETARY OVALLE) ARGUE THAT "HUMAN SETTLEMENTS" LAW IS NOT CONFISCATORY IN ITS INTENT, BUT THEY CONCEDE THAT ONE AIM IS TO REDUCE CONCENTRATIONS OF URBAN PROPERTY IN HANDS OF FEW WEALTHY OWNERS. FOR AVERAGE LANDOWNER, THEY ARGUE, EFFECT WILL BE TO GUARANTEE VALUE OF "REASONABLE" PROPERTY HOLDINGS AGAINST ENVIRONMENTAL OFFENSES, INVASIONS, SQUATTERS, AND ILLEGAL DEALERS. LARGER AIM, THEY STRESS, IS TO COMBAT UNBALANCED, CHAOTIC URBAN LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MEXICO 04435 02 OF 02 070033Z

GROWTH WHICH DAMAGES QUALITY OF LIFE FOR EVERYONE, BY CHANNELING NEW MIGRATION INTO SPARSELY SETTLED AREAS AND BY PLACING RESTRAINTS ON FREE-WHEELING LAND DEVELOPERS.

WHAT THE BILL'S OPPONENTS FEAR

8. IN AN UNACCUSTOMED DISPLAY OF RESISTANCE, THROUGH PAID ADS IN NEWSPAPERS AND IN PRIVATE-SECTOR MEETINGS, LANDOWNERS HAVE

MADE CLEAR THEY FEAR NOT SO MUCH THE LETTER OF THE LAW BUT ITS SPIRIT. IN PARTICULAR, THEY REGARD POWERS GIVEN TO MUNICIPAL AUTHORITIES TO DICTATE LAND USE AS AN "UNCONSTITUTIONAL" VIOLATION OF PRIVATE PROPERTY GUARANTEES AND AN INVITATION TO WIDESPREAD ABUSE -- "LEAVING INDIVIDUAL PROPERTY OWNER AT COMPLETE MERCY OF PUBLIC AUTHORITIES WITH RESPECT TO HIS MOST PRECIOUS POSSESSION", TO CITE ONE CRITIC.

9. KEY COMPLAINTS BOIL DOWN TO TWO:

A. ECONOMIC - BY AUTHORIZING MUNICIPAL AUTHORITIES TO DECREE URBAN LAND USE, BILL WOULD "FREEZE" DEVELOPMENT OF PRIVATE PROPERTY AND THUS UNDERCUT ALL LAND VALUES. UNDER THREAT OF "FREEZE", OWNERS WOULD DECLINE TO DEVELOP LANDS, CONSTRUCTION INDUSTRY WOULD COLLAPSE, UNEMPLOYMENT WOULD MOUNT FURTHER, AND BANKS WOULD REFUSE TO ACCEPT MORTGAGES.

B. JURIDICAL - ALTHOUGH CONSTITUTION ASCRIBES ULTIMATE LAND OWNERSHIP TO STATE, FEDERAL GOVT HAS HITHERTO KEPT OUT OF MOST INDIVIDUAL OWNERSHIP QUESTIONS IN THE URBAN SECTOR, AND EXPROPRIATION/COMPENSATION HAS BEEN HANDLED AT STATE AND LOCAL LEVELS. "HUMAN SETTLEMENTS" LAW WOULD BE ANOTHER BIG STEP TOWARD "DICTATORIAL STATE", A PLUM FOR ARBITRARY BUREAUCRATS, AND A SEVERE LIMITATION ON CONSTITUTIONAL GUARANTEES. CITIZEN PROPERTY-OWNER WOULD BE "DEFENSELESS" BEFORE AUTHORITIES, WITH NO GUARANTEES OF HEARING AND/OR INDEMNIZATION FOR DAMAGES TO LAND VALUES (AS CONSTITUTION GUARANTEES IN CASE OF EXPROPRIATION).

10. IN SUM, OPPONENTS SEE NEW LAW AS AN ATTEMPT TO TRANSFER TO URBAN SECTOR THE MISTAKES AND ABUSES ALREADY WITNESSED (THEY SAY) IN AGRARIAN SECTOR -- MISTAKES WHICH THEY REGARD AS HAVING FOSTERED MASSIVE MIGRATION FROM RURAL AREAS TO CITIES IN THE FIRST PLACE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MEXICO 04435 02 OF 02 070033Z

COMMENT:

11. IT IS DIFFICULT TO CHOOSE SIDES IN "HUMAN SETTLEMENTS" CONTROVERSY. FOR ANYONE LIVING IN CROWDED, CONGESTED, AND POLLUTED MEXICO CITY, NEED FOR ENERGETIC AND PERHAPS DRACONIAN PLANNING EFFORTS SEEMS OBVIOUS. IT IS INDEED DIFFICULT TO IMAGINE HOW CITY CAN SURVIVE MIGRATION INFLOW WHICH NOW EXCEEDS 1000 PER DAY AND MACROCEPHALIA WHICH CONCENTRATES OVER 50 PERCENT OF MEXICO'S COMMERCIAL ACTIVITY WITHIN D.F. BORDERS. WHATEVER EFFORTS ARE MADE TO CONTROL OR LIMIT THIS GROWTH WILL SURELY PINCH SOMEONE -- MOST LIKELY THOSE WITH OVER-VALUED LANDS WHO PROFIT FROM PRESENT ANARCHY.

12. ON THE OTHER HAND, THERE IS GENUINE BASIS FOR LANDOWNERS' FEARS OF GOVERNMENTAL ABUSE AND THE ARBITRARY POWERS PLACED

IN HANDS OF LOW-LEVEL OFFICIALS TO AFFECT LAND VALUES. RESULT
COULD INDEED BE AS ADMINISTRATIVELY CHAOTIC AND VENAL AS IS
NOW THE CASE IN AGRARIAN SECTOR, AND RESULT MIGHT VERY WELL
BE TO ALIENATE URBAN PROPERTY OWNERS AS COMPLETELY AS PRIVATE
FARM OWNERS -- WITH SIMILAR DECLINE IN PRIVATE ECONOMIC ACTI-
VITY. THERE IS NO DOUBT THAT GREAT INEQUALITIES NOW EXIST IN
CITIES AND THAT SOME ARE MAKING A KILLING FROM MISERIES OF
OTHERS. YET THERE IS REAL RISK THAT MASSIVE GOVERNMENTAL
BUREAUCRACY AND ARBITRARY ABUSES COULD NEGATE BENEFICIAL
EFFECTS OF PLANNING AND STIFLE PRIVATE ECONOMIC ACTIVITY IN
URBAN SECTOR.

13. WHAT "HUMAN SETTLEMENTS" DEBATE SHOWS ABOVE ALL, HOWEVER,
IS DEEPENING CHASM ACROSS WHICH PUBLIC AND PRIVATE SECTORS
HURL BITTER ACCUSATIONS AT EACH OTHER. SOMETHING BADLY
NEEDS TO BE DONE TO HARNESS THE ANARCHIC GROWTH OF MEXICO'S
MAJOR CITIES, AND PUBLIC-PRIVATE COOPERATION WILL BE ESSEN-
TIAL TO ANY SUCH EFFORT. HOWEVER, GIVEN PRESENT LEVELS OF
MISTRUST ON BOTH SIDES, ODDS ARE NOT GOOD THAT SUCH COOPER-
ATION WILL BE ACHIEVED.
THOMPSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: URBAN DEVELOPMENT, LAND REFORMS, CENTRAL LEGISLATURE, LEGISLATIVE BILLS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: buchant0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MEXICO04435
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760130-0227
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760493/aaaadbpx.tel
Line Count: 298
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 MEXICO 10387
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 20 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 JUL 2004 by coburnhl>; APPROVED <29 OCT 2004 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ECHEVERRIA'S URBAN PLANNING/LAND USE BILL SPARKS NATIONWIDE CONTROVERSY
TAGS: PINT, SOCI, SPOP, MX
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006